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Moral Influences in the Adjustment of Industrial Disputes

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TO attempt to determine the effect of moral influences in the adjustment of industrial disputes is very much like endeavoring to answer the question, "Who won the War?" Looking back over the industrial disputes with the intimate history of which I am familiar, I find it very difficult to separate and weigh the part which moral influences played in determining the outcome as distinguished from such factors as the economic strength, the strategic position, and the leadership of the respective sides. I know that in nearly every noteworthy industrial contest, moral influences, particularly those that are manifested in what we are pleased to call public opinion, played a large part, but I am unable to formulate any satisfactory test by which one can determine, even approximately, the extent of such influences.

There is in some respects a general analogy, which must not be pushed too far, between industrial disputes and international contests. Napoleon's cynical epigram, "God is on the side of the heaviest artillery," contains just enough truth, both for war and for industry, to make it a dangerous maxim. In confirmation of this cynical attitude, I have seen industrial disputes, in which the party with absolute justice on its side, and with the strong support of public opinion, was crushed down by ruthlessness and superior resources. I have seen also cases of absolute hold-ups, where public opinion was defied because possession of a strategic position made resistance to unjustified demands impracticable. So far as I can recall, I have never yet seen a case in

which moral influences or public opinion alone were sufficient to determine the issue.

Thus far, the evidence would seem to support Napoleon's maxim. Nevertheless, in industrial disputes, as in war, morale is as important as equipment and resources. And it is in the maintenance or breakdown of morale that moral influences and the force of public opinion have greatest weight. When the forces are fairly well-matched in equipment and resources, the outcome of the contest depends almost entirely upon morale.

It is for this reason that moral influences are seldom effective except where the opposing forces are of approximately equal strength, and even then they are not able to have a decisive effect until a deadlock has been reached. This is well illustrated in the coal strike of 1922. In this case the organized moral influences of the nation ranged themselves on the side of the miners, at least in demanding that the operators carry out their contract to meet in joint conference with the union for the negotiation of a new agreement. The operators refused to meet in joint conference and to this extent defied public opinion, because they knew that the funds of the miners were depleted and that their organization was disrupted by internal dissension. Nevertheless, the realization that justice was entirely on their side, and that this was generally recognized throughout the country, has had a powerful influence in maintaining the morale of the striking miners, and it is not at all impossible that, in spite of their slender resources

and the great suffering which many are already enduring, they will be able to hold out until the dwindling coal supply forces a deadlock and a crisis. If this should come to pass, the moral forces of the country will then have an opportunity in which they can press successfully for an equitable settlement of the differences between the miners and the operators.

INDUSTRIAL STANDARDS

So far we have been dealing primarily with the effect of moral influences upon particular industrial disputes. There is, however, a much larger field in which these moral influences operate with even greater power. I refer to the effect upon the general social atmosphere of the slow processes of education which are manifested in the establishment of higher industrial standards. It is impossible to overestimate the good which is accomplished by the educational campaigns of such organizations as the National Catholic Welfare Council and the Federal Council of the Churches of Christ in America. Through such influences, industrial conditions which were the subject of bitter contests only a few years ago are now coming to be accepted as the conventional standards of industry. In my opinion, it is in this field, rather than by intervention in particular disputes, that the churches and other organized bodies can achieve the greatest and most lasting results.

THE WAR LABOR BOARD

Some light on the part which moral influences play in the adjustment of industrial disputes may be gained from a brief consideration of the experiences of the War Labor Board. On the surface, the War Labor Board had behind it merely the sanction of a joint agreement between representatives of the

two leading organizations of employers and workers and the force of a presidential proclamation. But it must not be forgotten that, while the Board had no compulsory powers within itself, it had behind it the full war powers of the government. These powers were used, I believe, only twice, once in the Smith and Wesson case, by inducing the War Department to take over and operate for the period of the war a corporation which flagrantly refused to abide by the award of the Board, and once in the Bridgeport case, by threatening to invoke the "work or fight" order against recalcitrant workers. Nevertheless, the threat was always present, and during the period of hostilities was generally respected by both the employers and workers.

The part which moral influences played in the work of the Board was manifested chiefly in its code of principles. These were a set of declarations with reference to some of the fundamental problems of industrial relations, agreed upon by a joint conference of representatives from the American Federation of Labor and the National Industrial Conference Board, presided over jointly by William Howard Taft and Frank P. Walsh. They embodied the principles of collective bargaining and the living wage, and are so well-known that they need not be quoted. They represented, in all probability, the enlightened public opinion of the United States at that time. Here we have an example of the far-reaching effects of moral influences in the adjustment of industrial dispute. These so-called "principles" of the War Labor Board were merely a codification of the results of the industrial agitation and economic education of the years immediately preceding the Great War. It is inconceivable that they should have been adopted either in letter or in

substance at the time of the Civil War, or even as late as the Spanish-American War. They were the fruit of an awakened public conscience.

It is true that these principles, particularly those which proclaimed the right of a living wage, were never literally applied. In this respect they occupied a position somewhat like the fundamental principles embodied in the Declaration of Independence and the Bills of Rights of the various states, which have never yet received practical application in American political life. Nevertheless, they did play a decisive part in determining the decisions of the Board. For example, the minimum rate of wages in the so-called Waynesboro cases, one of the most remarkable decisions ever rendered by an arbitration board, was fixed at an amount substantially higher than had been originally demanded by the employees. This decision was agreed upon, after a debate which nearly disrupted the Board, solely upon the ground that the minimum amount demanded by the Waynesboro employees was below a living wage, could effect merely a temporary settlement, and would in any case be a gross violation of the Board's principles. In making its award in this case, the Board announced that it had then under consideration the determination of a living wage, which would be applied in subsequent cases. In its attempt to fix the amount of a living wage, however, the Board reached what appeared to be an unbreakable deadlock, and, after days of debate, finally agreed upon a compromise resolution, which provided:

That for the present the Board or its sections should consider and decide each case involving these principles on its particular facts and reserve any definite rule of decision until its judgments have been sufficiently numerous and their operation

sufficiently clear to make generalization safe.

It was the intention of the labor side of the Board to bring the determination of a living wage to an issue, and extensive investigations were conducted for this purpose. But the plan was never carried out because the signing of the armistice made further action along this line impossible.

Upon other points than a living wage, however, the decisions of the Board were in large measure in substantial accord with its principles, and as a participant in its proceedings, I can say with some assurance that without the preliminary agreement upon these principles the decisions of the Board would have been far less consistent and much more in the nature of make-shifts.

It would be a mistake to assume from this that the mere adoption of a code of industrial principles will be effective in the settlement of industrial disputes. This is clearly shown by the experiences of the War Labor Board following the armistice. Its code of principles remained the same. The need for its service was in many respects increased rather than diminished, and the courts held that the War had not yet terminated and that consequently its authority was nominally maintained. Nevertheless, its power and prestige rapidly declined. It could have been sustained only by the full weight of presidential authority, but the President went to Europe, after committing the processes of readjustment and reconstruction in the United States to the enlightened wisdom of the nation's business men. It was about this time, also, that the moral influences of the country ceased to function or went into hiding, leaving the field clear for Mr. Palmer, Mr. Lusk and other terrorists.

PUBLIC OPINION AND INDUSTRIAL RELATIONS

The belated attempt to restore the prestige of moral principles in the field of industrial relations by the summoning of the first industrial conference in the fall of 1919 was made abortive not only by gross blunders in the selection of the personnel of that conference, but also by certain decidedly immoral influences which had been permitted to secure the ascendancy, and which were determined to wreck any attempt to secure industrial harmony upon the basis of righteous principles.

The steel strike, which came almost simultaneously with the calling of the industrial conference, was a case in which the decision should have turned upon moral issues, but instead it was determined almost entirely by brute force. It is true that for reasons which need not now be given, public opinion was turned against the steel workers, and until it was too late, it was impossible to secure attention for even the most outrageous abuses and grievances. I am of the opinion, however, that it is a mistake to believe that this subversion of public opinion was decisive in this strike. The victory of the steel corporation was won by the clubs of police and constabulary, by thugs and gunmen, and above all, by the half billion dollars of accumulated war profits which enabled the corporation to view an indefinite shut-down with equanimity. Even if the Interchurch World Movement could have made its report during the early days of the strike, even if public opinion, guided by this report, had turned against the steel trust, I doubt if the strikers could have won even a partial victory against the enormous resources massed against them, unless public opinion had been strong enough to break down the corporation's con-

trol over the machinery of state and local government.

In the case of the steel strike, however, the moral influences of the nation were prevented from functioning, partly by the condition of temporary paralysis to which I have already alluded, and partly by the lack of facts upon which to base a proper judgment. The facts were not developed until the Interchurch World Movement completed its investigation several months later. So also in the case of nearly every other industrial dispute—we ascertain the truth only by a *post mortem*.

A FIELD FOR THE CHURCH

The moral influences of the nation will never be able to function effectively in the adjustment of industrial disputes until they are equipped *in advance* with the facts upon which to form a judgment, and with which public opinion can be educated. These facts should be supplied by a well-equipped government organization, trained to work rapidly and at the same time accurately. Until the government is prepared to undertake this obvious duty and establish such an up-to-date fact-finding agency, it would seem that the churches might well consider the joint maintenance of a small and well-trained staff who could report the facts well in advance of industrial crises. Around such a nucleus of ascertained facts, it should be possible to mobilize the moral forces of the country.

I fully realize the difficulties that lie in the way of such a plan. Nevertheless, the far-reaching results which might be secured would seem to make it worthy of considerable effort. However, I do not wish to overemphasize intervention by the churches or other organizations in the settlement of industrial disputes, for I am firm in the

conviction, which I have already expressed, that the moral influences of the country can be most effectively exercised in the slow processes of education of the nation to higher industrial standards and ideals. There is some danger, indeed, that this larger function of education might be interfered with or embarrassed by attempts to intervene in particular disputes. If

this should prove to be the case, it would seem to be the part of wisdom to abandon this field and leave the controversy to those who are directly concerned and to the government, and to concentrate attention entirely on the formulation and dissemination of the great principles upon which industrial progress must necessarily be based.